



TEXAS SOUTHERN UNIVERSITY

Purchasing Accountability and Risk Analysis Procedure

Pursuant to Texas Government Code Sec. 2261.2256 (a): “Each state agency shall develop and comply with a purchasing accountability and risk analysis procedure. The procedure must provide for: (1) assessing the risk of fraud, abuse, or waste in the contractor selection process, contract provisions, and payment and reimbursement rates and methods for the different types of goods and services for which the agency contracts; (2) identifying contracts that require enhanced contract monitoring or the immediate attention of contract management staff; and (3) establishing clear levels of purchasing accountability and staff responsibilities related to purchasing.”

Texas Southern University complies with the statute by adhering to established Purchasing and Contract Administration procedures.

Contractor Selection Process:

1. Purchases exceeding \$5,000 requires an informal quoting process and purchases exceeding \$25,000 require formal bidding procedures. Both processes ensure a competitive environment regarding contractor selection.
2. Evaluation committee members are required to sign a conflict of interest statement before evaluating solicitation submittals.
3. An Approved Vendors List is posted on Procurement Services webpage to assist employees with selecting contractors who are awarded contracts through TSU’s procurement process or from approved purchasing cooperatives.
4. Vendors are required to complete a Vendor Application Form prior to being added to the contractor database. The information provided is evaluated by the Office of Institutional Compliance and forwarded to the Purchasing Department who determines whether the vendor will be added.
5. The Office of Institutional Compliance conducts a Due Diligence Profile report on all contractors awarded a contract that exceeds \$14,000.

For details see Administrative Policy, 03.02.03: The Purchase of Goods, Materials and Services through the Purchasing Department:

<http://www.tsu.edu/mapp/pdf/fiscal-affairs/030203-purchase-goods.pdf>



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Contract Provisions:

1. The Office of General Counsel (OGC) provides standardized contract templates to document the terms and conditions of an award to contractors. Modifying the language is prohibitive without approval from the OGC.
2. The OGC reviews all contracts (standard and non-standard) entered by the university and confirms compliance with state and federal statutes.
3. Contracts exceeding \$100,000 are approved by the Board of Regents.
4. Commodities purchased with a purchase order are governed by the terms and conditions listed on the backside of the document.

For details see Administrative Policy 08.04.01, Contract Administration Policy:

<http://www.tsu.edu/mapp/pdf/general-counsel/080401-contract-administration-001.pdf>

Payment and Reimbursement Rates:

1. At the conclusion of a competitive solicitation, payments and reimbursement rates are confirmed and included in the resulting contract.
2. The Contract Administrator from the initiating department ensures the commodity is an acceptable business purpose that benefits the institution. As such, the Contract Administrator is responsible for ensuring payments and reimbursable rates are reasonable, mutually agreed and appropriately documented according to procurement procedures.
3. The Department Business Administrator is responsible for initiating a requisition as the ordering document which includes payment terms and reimbursable rates. The requisition is approved by higher authorities according to the threshold amount. The resulting purchase order shall document the commodity according to the terms and conditions of the contract and/or solicitation.
4. Payments of invoices are approved by the Department Business Administrator and/or the Contract Administrator.

For details see Administrative Policy 08.04.01, Contract Administration Policy:

<http://www.tsu.edu/mapp/pdf/general-counsel/080401-contract-administration-001.pdf>



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Identifying Contracts that Require Enhanced Contract Monitoring or the Immediate Attention of Contract Management Staff:

1. All contracts valued at \$1 million per annum require enhanced contract monitoring during the term of the contract. The contract must be assigned a Contract Administrator and includes documented measurable deliverables.
2. The Purchasing Department is responsible for establishing criteria by which the performance of the contract will be measured. The Contract Administrator is responsible for managing the day- to-day activities of the contractor and shall collaborate with the Purchasing Department regarding enhanced monitoring activities.

Establishing Clear Levels of Purchasing Accountability and Staff Responsibilities Related to Purchasing:

1. No person has authority to bind TSU contractually except in accordance with the Contract Administration Policy.
2. The Purchasing Department has exclusive delegated authority to make purchases on behalf of the university. The Executive Director has authority to establish procedures that comply with purchasing statutes and policies.
3. Departments have delegated authority to obtain quotes that do not exceed formal bidding thresholds; however, the Purchasing Department has final authority to determine the “best value”.

For details see Administrative Policy 08.04.01, Contract Administration Policy:

<http://www.tsu.edu/mapp/pdf/general-counsel/080401-contract-administration-001.pdf> and

Administrative Policy, 03.02.03: The Purchase of Goods, Materials and Services through the Purchasing Department states:

<http://www.tsu.edu/mapp/pdf/fiscal-affairs/030203-purchase-goods.pdf>